

Lanesboro Public Utilities  
Council Chambers  
December 16, 2013 at 12:30 p.m.

Commissioners Present: Gerald Evenson, Chair  
Dennis Schuck  
Theresa Coleman

Staff Present: Jim Peterson  
Jerod Wagner

*Commissioner Evenson called the meeting to order at 12:40 p.m. Commissioner Evenson moved to adopt the agenda. Motion was seconded by Commissioner Schuck. Motion carried.*

*Commissioner Coleman moved to approve the minutes of the November 18<sup>th</sup>, 2013 meetings. Motion was seconded by Commissioner Schuck. Motion carried.*

## **New Business**

### **A. Finalize the 2014 PUC Budget**

*The Final PUC Budget was addressed by the Commission prior to approval. Electric, Water/Sewer rate increase was addressed and approved. Commissioner Coleman suggested adding a penalty of 18% to trash service in the event of late payments and/or disconnect. Overall the rates match the budget as closely as possible reflecting anywhere from a 10% to 20% increase. Coleman suggested a new sewer base charge of \$15.95 and leaving sewer connection fees at actual costs; also allowing a PUC cost adjustment perhaps to pay for interim financing for the water radium project (same for water). Coleman also indicated that a meter charge should be rolled into the base rate (\$12.50). Shut-off charges should also include billable man hours and also raise the shut-off fees for delinquent accounts for water/electric to \$75.00 each. A motion was made by Commissioner Coleman to adopt the final PUC budget as presented for 2014. Motion was seconded by Commissioner Evenson. Motion carried all in favor.*

## **Regular Business**

### **A. Payables**

*Commissioner Coleman moved to pay expenses of the Lanesboro Public Utilities. Motion seconded by Commissioner Schuck. Motion carried.*

B. Update on the PFA Loan Pre-Application Materials-Interim Financing (\$550,000)

*Mike Davy from Davy Engineering indicated that there should be interim financing for the Water Radium project so that preliminary work could be started on the well site #4 and also preliminary construction of the infrastructure for the treatment site. He indicated that the interim financing will be repaid from the PFA loan when the money becomes available. Administrator Todd advised the PUC that loan resolution and other documentation was provided by the City's contracted bond counsel, Mary Ippel of Briggs and Morgan, PC. The documents, including a resolution for repayment and a resolution for assignment to allow the Administrator to act as the project manager and be allowed to make changes and enter into contracts on the City's behalf were being presented. Administrator Todd advised the Commission that the City Council passed all the necessary resolutions to allow for the PFA loan and Interim Financing to take place.*

C. Update on the Land Purchase-Acquisition for #4 Well Site (\$10,000)

*Administrator Todd advised the PUC that Mike Davy from Davy Engineering advised the PUC to execute the land purchase agreement as soon as possible. Administrator Todd advised that the paperwork was in place and that he had already conferenced with the City Attorney, Tom Manion, and that the option to purchase or acquire will be executed as soon as Todd received approval from the PUC. To date, a \$500.00 fee was paid to the landowner and the balance of \$9,500.00 will need to be provided prior to execution of the option to purchase. Administrator Todd advised the PUC that a check was made payable to the land owner's in the amount of \$9,500.00 and the documentation to proceed with the execution of the land purchase was forwarded to the City Attorney. The option to purchase will be executed by Tom Manion prior to the bid date for the well site. The timeline for bidding the construction is on schedule.*

D. Update on the Minnesota Department of Health-Fluoride Analytical Device Grant

*Administrator Todd advised the PUC a grant had become available from the Minnesota Department of Health for up to four hand held fluoride detection devices. The devices are to detect fluoride in the drinking water. Administrator Todd asked the PUC if they would like him to proceed with the grant application. Administrator Todd advised the PUC that the paperwork for the Fluoride Analytical Devices had been sent to the MDH and we are awaiting a decision.*

E. Water Use by Sand and Gravel

*Since the initial invoice was sent to Sand and Gravel regarding the water usage amount they owe the City, there has been no response. Administrator Todd asked the PUC what direction they wanted him to go regarding recouping the funds. To date, the delinquent funds total \$5920.00. Commissioner Evenson asked the City Administrator*

*to seek advice from the City Attorney and perhaps send legal correspondence to Rochester Sand and Gravel in order to collect the past due amount.*

F. Update on the Lanesboro Photovoltaic Plan

*Jarod Wagner indicated that the Lanesboro School District is interested in taking part in the Photovoltaic project. He indicated that he had not yet heard back from the DNR regarding their involvement in the project. He stated that Jim Walters had sent an e-mail indicating that there is a CERTS training in January that he will be attending in order to attain additional funding for the project.*

G. Line Loss-Alley behind Potiche Pottery, Pedal Pushers, The Pub, and Gil B's, further action needed?

*Jarod Wagner and Jim Peterson indicated that the security lights in the alley behind Pedal Pushers, The Pub, Potiche Pottery, and Gil B's have an average kilowatt usage of 36 Kwh per day. They indicated that Tri County says that \$7.00 per day would cover all costs. Jim and Jerod indicated they will count up all of the security lights in the City and look at charges before proceeding with any plans.*

H. Schedule for 2014 PUC Meeting Dates and Times

*The PUC indicated they would like to adhere to the same meeting schedule currently observed for the upcoming 2014 calendar year. The time slot of 12:30 p.m. works well for all members and it will be continued through 2014.*

I. Next Meeting—**January 20<sup>th</sup>, 2014 at 12:30 p.m.**

J. Miscellaneous

*Administrator Todd presented the PUC with an aging report for Public Utilities accounts within the City. It was noted that the Parkway Pub was significantly behind once again. Currently, Mr. Jeanette made a payment in the amount of \$500.00 but the business was incurring an average of \$1000.00 per month in charges. It was noted that there was already a past due amount certified to taxes in 2013 for this property. Commissioner Evenson made a motion to send a letter to Mr. Jeanette advising him that he has 30 days to bring his past due amount to a current status or the utilities for this location will be turned off. Motion was seconded by Commissioner Coleman. Motion carried all in favor.*

*Administrator Todd advised the PUC that Mike Davy of Davy Engineering would like to be placed on the Agenda for the PUC meeting in February to discuss opening the bid process for well construction. Once time and date are established, Todd will advise the PUC.*

**Adjourn Regular Meeting:**

*Motion was made by Commissioner Coleman to adjourn the regular meeting of the PUC. Motion was seconded by Commissioner Schuck. Motion carried all in favor.*

Respectfully Submitted:

David Todd  
City Administrator